November 29, 2007

TO:

File

THRU:

Susan White SW

FROM:

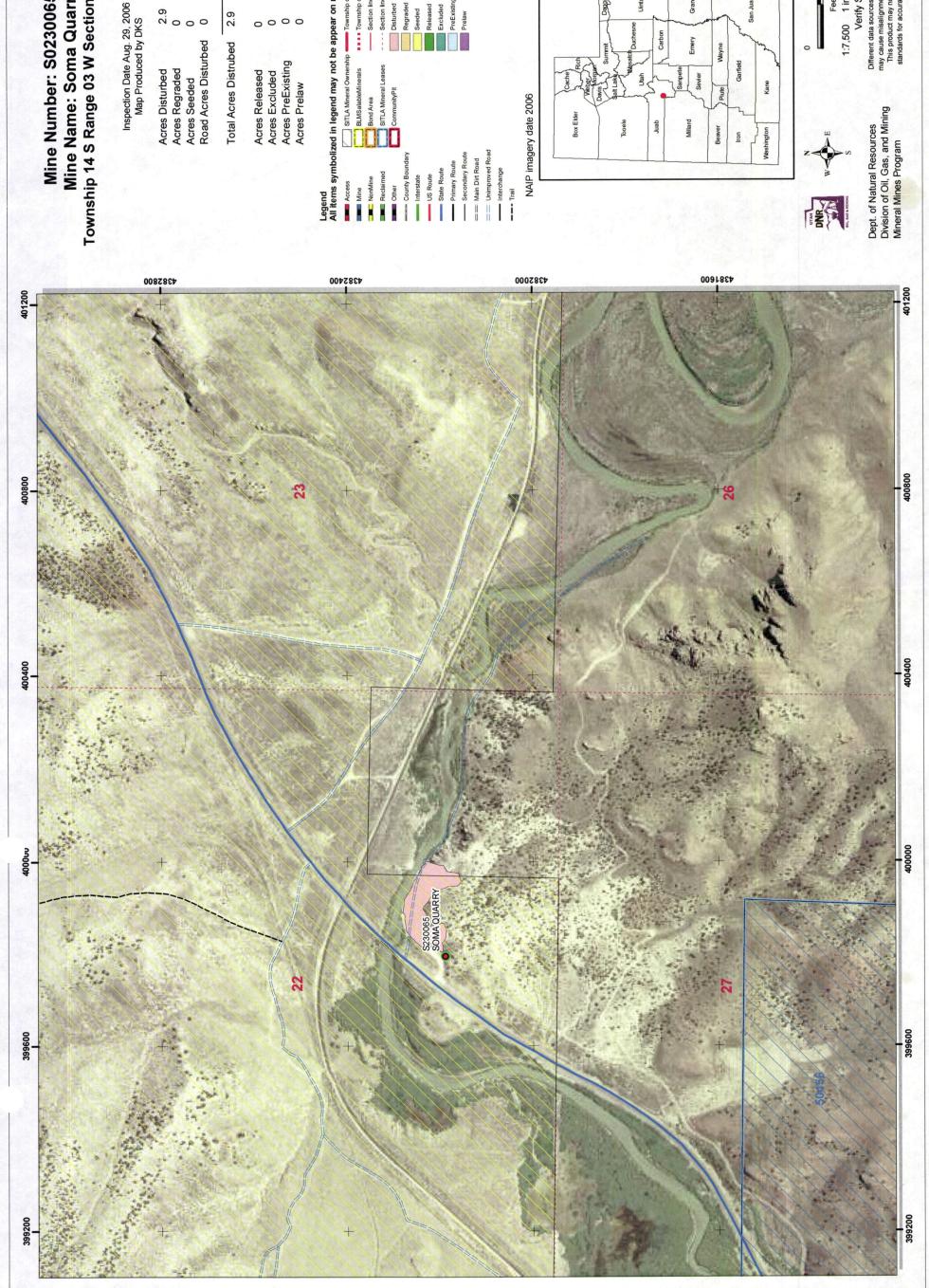
Tom Munson Im

SUBJECT: Land Issue, Nephi Sandstone, Soma Quarry, S/023/065, Juab County, Utah

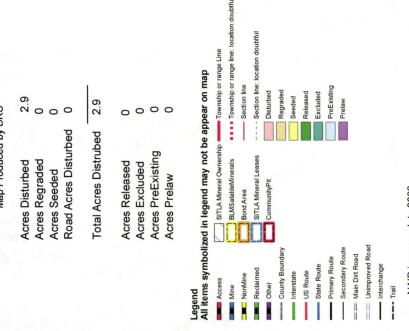
In trying to update this bond and determine the acreage by generating a GPS map, the Division became aware that the land status of the mine related disturbance was mostly on BLM land. The original Small Mine permit stated the mine was going to be on patented mining claims and BLM surface. The BLM was aware of this, having notified them March 3, 2000, that the mine was approved and its location was on Patent mining claims and BLM surface. Although in hindsight, this does not make sense, since usually patented mining claims is ownership of the mineral and surface, unless the surface was sold to the BLM. Our map does not indicate this. Since they have subsequently mined off the patented mining claim onto BLM land, we asked for concurrence of the bond amount from the BLM when we discovered the mine was on BLM lands. The BLM could not grant concurrence because the disturbance is not permitted mining related disturbance on BLM land.

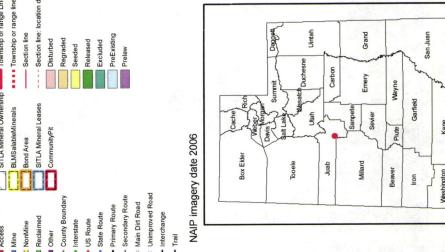
However, the bond amount is based on 3 acres of disturbance and fits our criteria for small mine bonds. The BLM has been slow to act on this and I feel we want to be covered in the interim with adequate reclamation bond. I recommend we go ahead with our acceptance of this bond based on the fact that the quarry is 3 acres and the bond amount will most likely not change even after the BLM figures out what to do about this situation.

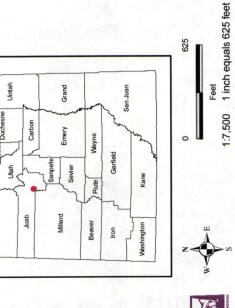
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Mine Name: Soma Quarry Township 14 S Range 03 W Section 22 SLBM Mine Number: S0230065







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625